



FEDERAL ELECTION COMMISSION
Washington, DC 20463

BY E-MAIL AND USPS

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MAY 21 2019

RE: MUR 7451
Ring Power Corporation

Dear Ms. Cold:

On August 6, 2018, the Federal Election Commission (the "Commission") notified your client, Ring Power Corporation, of a complaint alleging a violation of the Federal Election Campaign Act of 1971, as amended (the "Act"), and provided your client with a copy of the complaint.

After reviewing the allegations contained in the complaint, your response on behalf of your client, and publicly available information, the Commission on May 9, 2019, found reason to believe that Ring Power Corporation violated 52 U.S.C. § 30119(a)(1), a provision of the Act. The Factual and Legal Analysis, which formed a basis for the Commission's finding, is enclosed for your information.

In order to expedite the resolution of this matter, the Commission has authorized the Office of the General Counsel to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Pre-probable cause conciliation is not mandated by the Act or the Commission's regulations, but is a voluntary step in the enforcement process that the Commission is offering to your client as a way to resolve this matter at an early stage and without the need for briefing the issue of whether or not the Commission should find probable cause to believe that your client violated the law.

If your clients are interested in engaging in pre-probable cause conciliation, please contact Wanda D. Brown, the attorney assigned to this matter, at (202) 694-1650 or (800) 424-9530, within seven days of receipt of this letter. During conciliation, you may submit any factual or legal materials that you believe are relevant to the resolution of this matter. Because the Commission only enters into pre-probable cause conciliation in matters that it believes have a reasonable opportunity for settlement, we may proceed to the next step in the enforcement process if a mutually acceptable conciliation agreement cannot be reached within 60 days. See 52 U.S.C. § 30109(a); 11 C.F.R. Part 111 (Subpart A). Conversely, if your clients are not interested in pre-probable cause conciliation, the Commission may conduct formal discovery in this matter or proceed to the next step in the enforcement process. Please note that once the Commission enters the next step in the enforcement process, it may decline to engage in further settlement discussions until after making a probable cause finding.

Pre-probable cause conciliation, extensions of time, and other enforcement procedures and options are discussed more comprehensively in the Commission's "Guidebook for Complainants and Respondents on the FEC Enforcement Process," which is available on the Commission's website at <http://www.fec.gov/respondent.guide.pdf>.

Please note that your clients have a legal obligation to preserve all documents, records and materials relating to this matter until such time as you are notified that the Commission has closed its file in this matter. See 18 U.S.C. § 1519.

This matter will remain confidential in accordance with 52 U.S.C. § 30109(a)(4)(B) and 30109(a)(12)(A) unless you notify the Commission in writing that you wish the matter to be made public. For your information, we have enclosed a brief description of the Commission's procedures for handling possible violations of the Act.

We look forward to your response.

On behalf of the Commission,



Ellen L. Weintraub
Chair

Enclosures
Factual and Legal Analysis

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1 **FEDERAL ELECTION COMMISSION**

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3 **FACTUAL AND LEGAL ANALYSIS**

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5 **RESPONDENTS:** Ring Power Corporation

MUR: 7451

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7 **I. INTRODUCTION**

8 This matter was generated by a Complaint filed with the Federal Election Commission
9 (the "Commission") by Brendan M. Fischer, Campaign Legal Center.¹ The Complaint alleges
10 that Ring Power Corporation ("Ring Power"), a federal government contractor, made a \$50,000
11 contribution to New Republican PAC and Julie Dozier in her official capacity as treasurer (the
12 "Committee"), an independent-expenditure-only political committee ("IEOPC"), in violation of
13 the Federal Election Campaign Act of 1971, as amended (the "Act").²

14 Ring Power acknowledges that it is a government contractor and that it made the
15 contribution. Ring Power asserts, however, that based on a representation from the Committee,
16 it understood that the contribution was legally permissible. Ring Power states that when it
17 learned its contribution was prohibited under the Act, it requested and received a refund for the
18 contribution.³

19 The available record indicates that Ring Power was a federal contractor at the time of its
20 contribution to the Committee. Accordingly, the Commission finds reason to believe that Ring
21 Power violated 52 U.S.C. § 30119(a)(1) by making a prohibited contribution to the Committee.

¹ See 52 U.S.C. § 30109(a)(1).

² Compl. at 1, 4 (Aug. 1, 2018).

³ *Id.*

1 **II. FACTUAL BACKGROUND**

2 Ring Power is a private Florida corporation that sells and leases industrial machinery.⁴
3 Ring Power is also a federal government contractor, and has been the recipient of well over 300
4 contracts and grants since 2007.⁵ The Committee is an IEOPC that raised over \$34 million
5 during the 2018 election cycle, and made over \$31 million in expenditures that opposed and
6 supported federal candidates.⁶

7 The Complaint alleges that Ring Power violated the Act's prohibition on contributions
8 made to political committees from federal government contractors when it made a \$50,000
9 contribution to the Committee on April 23, 2018.⁷

10 Ring Power confirms that it was a federal government contractor at all relevant times, but
11 states that funds received for federal contracts were only a small portion of its revenue during the
12 time in question.⁸ Further, Ring Power maintains that at the time of the contribution, it was

⁴ Ring Power Corporation <https://www.ringpower.com/>. See also Florida Division of Corporations <http://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=RINGPOWER%202493800&aggregateId=domp-249380-ef0b76a4-50c9-4143-8130-e4be6e38acd7&searchTerm=ring%20power&listNameOrder=RINGPOWER%202493800>.

⁵ See USASpending.gov, Recipient Search, Ring Power Corporation, <https://www.usaspending.gov/#/search/c6c7f35a50d7080d1ac923922b6e0f5e>.

⁶ See New Republican, *Statement of Organization*, FEC Form 1 (Apr. 5, 2018). The Committee website is no longer active. Portions of the website are available at <https://web.archive.org/web/20180430015504/https://newrepublican.org/>. The Committee has a Twitter account at https://twitter.com/nr_florida?lang=en, and a Facebook page at <https://www.facebook.com/newrepublican.org/>. See also New Republican PAC, FEC Financial Summary, reports of receipts and disbursements, <https://www.fec.gov/data/committee/C00544544/?tab=summary#total-raised>; and <https://www.fec.gov/data/committee/C00544544/?tab=spending>. The Committee made \$30 million in expenditures that opposed the re-election of Florida U.S. Senator Bill Nelson; almost \$1 million in expenditures that opposed the election of Katherine Porter, candidate for California's 45th Congressional District; and \$200 in expenditures that supported Florida Gov. Rick Scott.

⁷ Compl. at 4 (Aug. 1, 2018). See also New Republican PAC, *July Quarterly Report of Receipts and Disbursements* (Jul. 15, 2018) at 31, <http://docquery.fec.gov/pdf/860/201807159115526860/201807159115526860.pdf>.

⁸ Ring Power Resp. at 1 (Aug. 23, 2018).

1 unaware that it was prohibited by the Act, and states that it “understood from PAC
2 representatives that the contribution was legally permissible.”⁹ Ring Power asserts that it did not
3 make the contribution to secure additional government contracts, and states that when it learned
4 the contribution was prohibited under the Act, it requested and received a refund from the
5 Committee.¹⁰ Ring Power also states that it has taken steps to ensure that it makes no
6 contributions to any federal political campaign or committee while it performs federal contracts,
7 and requests pre-probable cause conciliation.¹¹

8 III. LEGAL ANALYSIS

9 A “contribution” is defined as “any gift . . . of money or anything of value made by any
10 person for the purpose of influencing any election for Federal office.”¹² Under the Act, a federal
11 contractor may not make contributions to political committees.¹³ Specifically, the Act prohibits
12 “any person . . . [w]ho enters into any contract with the United States . . . for the rendition of
13 personal services or furnishing any material, supplies, or equipment to the United States or any
14 department or agency thereof” from making a contribution “if payment for the performance of
15 such contract . . . is to be made in whole or in part from funds appropriated by the Congress.”¹⁴
16 These prohibitions begin to run at the beginning of negotiations or when proposal requests are
17 sent out, whichever occurs first, and end upon the completion of performance of the contract or

⁹ *Id.* at 1-2. Ring Power also confirms the timing of their government contract, stating that the work under its federal government contract that was pending at the time was invoiced on May 1, 2018, for \$22,452.32.

¹⁰ *Id.* at 1; Attach. (copy of contribution refund check).

¹¹ *Id.* at 2.

¹² 52 U.S.C. § 30101(8)(A)(i).

¹³ 52 U.S.C. § 30119(a); 11 C.F.R. § 115.2.

¹⁴ 52 U.S.C. § 30119(a)(1); *see also* 11 C.F.R. part 115.

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1 the termination of negotiations, whichever occurs last.¹⁵ And these prohibitions apply to a
2 federal contractor who makes contributions to any political party, political committee, federal
3 candidate, or “any person for any political purpose or use.”¹⁶

4 Ring Power acknowledges that it was a federal contractor when it made its contribution
5 to the Committee, but argues that its contract for \$22,452.32 at the time of the contribution
6 represents only a small percentage of its total revenue.¹⁷ This fact, however, does not negate the
7 company’s status as a federal contractor under the Act, or obviate the violation. Similarly, Ring
8 Power’s remedial measures—obtaining a refund and other steps taken to ensure it would no
9 longer make prohibited contributions—do not excuse the violation.¹⁸ Accordingly, the
10 Commission finds reason to believe that Ring Power violated 52 U.S.C. § 30119(a)(1).

¹⁵ 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.1(b).

¹⁶ 52 U.S.C. § 30119(a)(1); 11 C.F.R. § 115.2; *see also* MUR 7099 (Suffolk Construction Company) (Commission found reason to believe that federal government contractor made a contribution to an IEOPC).

¹⁷ Ring Power Resp. at 2; *see also supra* n. 6.

¹⁸ *See* New Republican PAC, October Quarterly *Report of Receipts and Disbursements* (Oct. 15, 2018) at 65, <http://docquery.fec.gov/pdf/860/201807159115526860/201807159115526860.pdf> (disbursement to Ring Power Corporation for “contribution refund”).